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Realty Stock Review

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Market Trends: Bad News May Signal Bottom of Recession

New Spate of Earnings and Dividend Shocks Hits Banks, Syndicators, Some REITs

Bear markets end in panics and quiet desperation. When investors abandon all hope and start jettisoning everything, then you know the end of any decline is near.

We see so many evidences that this is happening in real estate markets now that we are compelled to think a turn in real estate markets—and in investor perception of real estate stocks—is near. Everything reinforces our oft-stated conviction that the best real estate values today are in real estate stocks. Here are some recent events we are hearing about:

—One very small finite-life REIT voted to accept some low-ball offers for its Oil Patch shopping centers from a much larger REIT and go out of business, rather than entertain merger offers or face prospects of waiting for a “sometime” recovery. Trustees simply felt they’d had enough and decided to pack it in.

—New Plan Realty recently paid \$8 mil. for three shopping centers—or about one-third of the \$25 mil. three lending institutions had invested before foreclosing. Again, lenders wanted out.

—On a broader scale, the British Coal Board is trying to sell its \$1 bil. U.S. real estate portfolio, assembled early in this decade by buying two REITs, Continental Illinois Realty and RAMPAC. The move would reduce cross-currency risks for the Brits, but we doubt they’ll sell at any price.

While these small events are anecdotal, we think they reflect a mood prevailing among many “nouveau” types who became instant real estate experts in the boom-and-zoom days of the early 1980s. Let’s get on to something else, they are saying. Good, we say.

estate’s bear market is winding down coincides with a spate of gloomy news jamming the columns of the financial press. Since our May 26 market summary, readers have been hit with a drumbeat of bad news. Some items:

—Integrated Resources found it couldn’t roll over commercial paper because banks refused to fund maturing paper. This default sent shares of this major tax shelter syndicator plunging about 70% to \$4.63 (NYSE) recently. IRE had piled up \$955 mil. debt in an effort to diversify into mutual funds and life insurance to blunt impact of clamp-downs on tax shelters in recent years, notably the 1986 Tax Reform Act. The debacle cast a cloud over 606 partnerships IRE has sponsored over the years, about three-fourths of them owners of corporate-guaranteed real estate. We are reducing IRE to D Rank. Some side effects:

American Real Estate Partners (ACP: NYSE), a 1987 rollup of 13 IRE partnerships into an MLP with \$500 mil. assets, actually rose a bit the past month to \$14.75, even tho IRE’s liquidity troubles cast some doubt on the ability of IRE, thru a subsidiary, to continue as general partner.

See our Jan. 13, 1989 review of ACP. Rank falls to C

RPS Realty Trust (RPS:NYSE), a late 1988 rollup of three IRE-sponsored equity-sharing mortgage trusts, closed at \$6.00, unchanged. RPS is independently managed since the rollup.

—Real estate loan problems continue to hurt the banking and S&L industry. PNC Financial Corp., Pennsylvania-based super-regional bank, said it would add \$100 mil. to non-performing loans in the June qtr., including two East Coast shopping centers. Valley National Bank of Phoenix, relatively untouched until now in the real estate recession engulfing Arizona, said it would report \$90 mil. loss for the June qtr. after adding \$181 mil. to loss reserves for credit and real estate losses.

And in Washington, a House-Senate conference committee is working out the final form of a \$150 bil. rescue package for the nation’s S&L industry. However final details are set, the bill means that \$25 bil. or more of troubled real estate will overhang the market for the next several years, mainly in the troubled Oil Patch.

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Interestingly, our conviction that real

Portfolio Selector of Stocks For Investment Goals

We list below stocks we believe are currently usable in your portfolio. They are grouped into six major categories reflecting broad investment goals, so you can match property and regional characteristics to your specific needs. Purchases should be made at or below prices listed in

the "Limit" column at right. Stocks currently selling above our suggested limits are marked with an "#" and should be bought only on declines. Most builder/developers, for instance, are above target prices, indicating caution.

Selector also lists REALTY STOCK REVIEW's exclusive Ranking of each stock; the major property type in its portfolio or business; and geographic area in which it operates. We continue to have a bias toward seasoned shopping center REITs in the Northeast and Southeast.

Portfolio Selector List of Realty Stocks for Current Investment

| Stock (RSR Review) | RSR Rank | Prop. Type | Prop. Region | Current Advice/Limit | Stock (RSR Review) | RSR Rank | Prop. Type | Prop. Region | Current Advice/Limit |
|---|----------|------------|--------------|----------------------|--|----------|------------|--------------|----------------------|
| SEASONED EQUITY REITs: INCOME PROPERTY OWNERSHIP (22) | | | | | FINANCIAL SERVICES/MORTGAGE BANKING | | | | |
| Stable Income & Asset Growth | | | | | Rouse Co.(3/10/9) | A | SC/LAND | NAT | Buy to 29 |
| Bradley RL(7/8/8) | Z | SC | MW | Offer 13.50 | Shopco Lau.LP(1/13/9) | NR | SC | MD | Buy to 10 |
| BRE Props.(7/8/8) | A | APT/SC | CA,WA | Buy to 31 | Variable Yield, Rate Risk & Price Volatility | | | | |
| Burnham Pac.(4/21/9) | B | SC/OFF | CA | Buy to 20# | Fed.Nat.Mtg.(2/10/9) | A | MTG | NAT | Buy to 90 |
| Chicago Dock(3/10/9) | B | LAND | IL | Hold/Buy to 26# | Lomas Finci.(2/10/9) | C | MTG/DIV | NAT | Hold/Buy to 9# |
| Cousins Prop.(3/10/9) | A | LAND/OFF | GA | Hold/Buy to 20 | Unicorp Amer.(7/40/7) | NR | S&L/OFF | NAT | Hold/buy to 6 |
| Dial REIT (9/23/8) | NR | SC | MW | Buy to 19# | AGGRESSIVE RECOVERY/TAKEOVERS/LIQUIDATIONS | | | | |
| Federal RL(4/21/9) | A | SC | NE | Buy to 24# 50 | Speculative yield, Uncertain Outcome, High Price Volatility | | | | |
| First Union (4/21/9) | A | SC/OFF | NAT | Buy to 20 | BB RL Est.(12/23/8) | NR | OFF/SC | CA,AZ | (Z) |
| HRE Props.(4/21/9) | A | SC/OFF | NAT | Buy to 23# | CleveTrust(8/12/8) | C | OFF/SC | SW | Buy to 4 |
| IRT Prop.(4/21/9) | A | SC | SE | Buy to 14.50 | ConCap Income (3/24/9) | NR | MTG | NAT | Buy to 6 |
| Ind.Income (4/28/9) | A | SC | NAT | Hold/Buy to 14# | DukeRity.(10/28/8) | B | OFF/IND | IN,OH | Buy to 5.50# |
| Koger Eq. (3/10/9) | NR | OFF | SE | Offer 20# | Fairfield Comm.(3/10/9) | C | LAND | SE/SW | Buy to 7 |
| New Plan Rity(4/21/9) | A | SC | NE | Buy to 16.17# | HMG/Courtland(10/28/8) | C | OFF/LAND | SE/SW | Buy to 11 |
| Penn. REIT (4/28/9) | A | SC/APT | NE | Buy to 23.24 | Hlth.CareREIT(6/14/9) | B | MED | MW | Buy to 14.50 |
| Prop.Tr.Am.(7/8/8&2/24/9) | A | SC/APT | TX,CO | Buy to 10.50 | Hotel Inv.(12/23/8) | C | HOT | NAT | Buy to 10 |
| REIT of Cal.(3/11/8) | A | SC/OFF | CA | Buy to 15# 16 | MGi Props.(7/8/8) | B | APT/OFF | SE/MW | Buy to 15 |
| Santa Anita(4/28/9) | A | SC/RACE | CA | Hold/Buy to 31 | MONY Real Est.(5/13/8) | B | IND/SC | NAT | Buy to 8.50/Liq. |
| Sizeier Inv.(7/8/8&2/24/9) | B | SC | LA | Buy to 16# | Nat. RityLP(1/13/9) | NR | APT/SC | SW/MW | Buy to 9 |
| Uld.Dom.(4/21/9) | A | APT | VA,NC | Buy to 19 | SW Rity.(12/9/8&1/27/9) | D | APT | TX | Buy pfds. (PSE) |
| Washington REIT(4/21/9) | A | OFF/APT | DC | Hold/Buy to 15# | U.S.Home(5/17/9) | C | HSG | NAT | Hold/buy to 2# |
| Weingarten RL(4/21/9) | A | SC | TX | Buy to 27.28# | Wellis Far.MI(5/13&6/24/8) | C | IND/OFF | SW/W | Hold/buy to 17# |
| Western Inv.RE(4/21/9) | A | SC | CA | Buy to 18# 19# | HOMEBUILDERS/INCOME PROP. DEVELOPERS/LAND DEVELOPERS | | | | |
| REITs: FIXED & PARTICIPATING MORTGAGES/LEASEBACKS | | | | | Development/Money Market Risks, Price Volatility | | | | |
| Higher Income, Lower Growth, plus Interest Risk | | | | | Amrep Corp.(3/10/9) | C | LAND | NM | Buy to 10 |
| BRT Realty (2/10/9) | B | APT/COM | NE | Hold/Buy to 17 | Centex Corp. (5/17/9) | A | HSG/MTLS | NAT | Buy to 37# |
| Copley Prop.(6/23/9) | C | IND | W | Buy to 16 | Fine Homes (1/13/9) | C | HSG | NAT | Buy to 16 |
| Eastgroup Pr.(12/9/8) | B | OFF/SC | NAT | Buy to 23# | Genl. Dev.(3/10/9) | C | LAND/HSG | FL | Hold/Buy to 14# |
| Health CarePr.(6/14/9) | A | MED | NAT | Buy to 29# | Hovnanian Ent.(5/17/9) | B | HSG | NJ,FL | Hold/Buy to 11 |
| ICM Prop.(6/23/9) | C | OFF | NAT | Buy to 10 | Inter.Genl.LP(1/13&2/24/9) | B | LAND/APT | MD,PR | Buy to 8.50 |
| MSA Rity.(7/8/8&2/24/9) | C | SC | MW | Buy to 8# | K&B Home(5/17/9) | A | HSG/CMCL | CA,FR | Hold/Buy to 17# |
| Meditrust(6/14/9) | B | MED | NAT | Buy to 18# | Leisure Tech.(5/26/9) | C | RET/HSG | CA,NJ | Hold/Buy to 5# |
| Meillon PMT(2/10/9) | C | SC | NAT | Buy to 8 | Lennar Corp.(5/17/9) | A | HSG | FL | Hold/Buy to 22 |
| Mtg.&Rity.(2/10/9) | B | DIV | NAT | Buy to 18 | Major Rity.(11/18&25/8) | Z | LAND/CMCL | FL | (Z) |
| Mtg.Inv.Plus(12/23/8) | B | OFF | CA | Buy to 8 | Newhall Land(1/13/9) | A | LAND | CA | Profit sell/Buy 55# |
| Presidential RL(11/25/8) | B | APT | NE | Hold/Buy to 12# | Oriole Home(5/26/9) | B | HSG | FL | Hold/Buy to 12# |
| Rock Ctr.Prop.(6/23/9) | B | OFF | NY | Buy to 21 | Ryland Gr.(5/17/9) | A | HSG/MTG | NAT | Hold/buy to 21# |
| Univ.Hlth.RL(6/14/9) | A | MED | NAT | Hold/Buy to 12.50# | Std.Pacific LP(5/17/9) | A | HSG | CA | Buy to 16# |
| INVESTMENT BUILDERS/INCOME PROPERTY OWNERS/MLPS | | | | | Property types: APT=Apartment; CMCL=Commercial; DIV=Diversified; HOT=Hotel/Motoring; HSG=Housing; IND=Industrial; LAND=Land Devel.; MTLS=Motels; MTG=Mortgage; OFF=Office; RACE=Race track; RET HSG=Retirement housing; SC=Shopping Center; S&L=Savings & loan. | | | | |
| Faster Growth, Development Risks Plus Higher Price Volatility | | | | | Property locations: NE=Northeast; SE=Southeast; SW=Southwest; MW=Midwest; W=West; NAT=National. States are Postal Service code. | | | | |
| EOK Green Ac.LP(1/27/9) | BA | SC | NY | Buy to 13 | Buy limits are approx. maximum purchase prices at publication date. Additions or changes underlined; Review with comment dates in paren. # Stock selling above limit price. | | | | |
| Equit.RE Sh.LP(1/13/9) | NR | SC | MI,MN | Buy to 10 | Z=No advice; Audit affiliate involved in pending transaction. Offer = Stock offer pending | | | | |
| Forest City(3/10/9) | B | SC/OFF | NAT | Buy to 55 | | | | | |
| Gould LP(1/9/7) | A | OFF/APT | NE | Hold/Buy to 55# | | | | | |
| Koger Prop.(3/10/9) | A | OFF | SE | Buy to 28 | | | | | |
| Perini Inv.(3/24/9) | B | OFF/IND | NAT | Buy to 17 | | | | | |

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Portfolio Selector Changes:

Purchase limits are raised for numerous stocks underlined on page 2. Noteworthy changes:

Forest City Enterprises (FCE:A:ASE), Cleveland based major urban investment builder, limit is increased to 55 from 42 on news that New Jersey investors Steven Roth and Russell B. Wight Jr., operating thru Interstate Properties, Inc., asked Federal regulators to let them buy up to 15% of FCE. The group owns the equivalent of 4.7% of FCE's Class A stock. Reasoning behind the move isn't clear since the founding Ratner family owns about 70% of FCE. But Roth is one of the shrewdest real estate buyers we know, and if he's an FCE buyer in the mid-50s, we'd go along.

Federal National Mtg. Assn. or Fanny May (FNM:NYSE), the quasi-government company that provides a secondary market for Federally insured mortgages, limit is raised to 90 reflecting FNM's newly demonstrated ability to sustain profits amid money market gyrations, the result of massive portfolio and financial restructuring the past few years. We have been saying FNM could become a classic growth stock, and the market agrees.

We've placed our footnote "Z" indicating that Audit's investment banking affiliates are involved in advising some aspect of pending transactions on: B.B. Real Estate, proposed to be merged into California REIT; and for Bradley Real Estate, which received and rejected an offer to purchase Bradley's assets from The Flatley Co., Braintree, Mass. real estate developer. The same symbol is added to **Major Realty Corp.**, which received and did not act upon an offer to be acquired by Central Realty Investors.

| APPRAISED ASSET VALUE | | COMPARISONS | |
|-----------------------|------|------------------------|-----------------------|
| | DATE | APPRAISED VALUE/ SHARE | % PRICE TO APP. VALUE |

| | | | |
|-------------------|-------|----------|--------|
| QUALIFIED REITS | | | |
| ANGELL REAL EST# | 3/89 | \$16.04 | -31.4% |
| BRE PROPERTIES # | 7/88 | \$35.50 | -15.1% |
| BURNHAM PAC PROP# | 12/88 | \$18.50b | 2.7% |
| CEDAR INC FUND I# | 12/88 | \$ 8.63 | -39.2% |
| COPELY PROPS # | 12/88 | \$23.37 | -32.1% |
| DUKE RLTY INVST # | 12/88 | \$ 8.44 | -33.4% |
| FEDERAL REALTY# | 12/88 | \$21.50b | 12.8% |
| FIRST UNION RE# | 12/88 | \$26.25b | -25.2% |
| GRUB&ELLS REIT | 12/88 | \$ 9.36 | -25.2% |
| HRE PROPERTIES # | 10/88 | \$27.50b | -15.0% |
| INTL INCOME PR# | 12/88 | \$19.17 | -24.4% |
| IRT PROPERTY CO# | 12/88 | \$16.00b | -10.9% |
| MSA REALTY CORP # | 12/88 | \$13.05 | -30.1% |
| NEW PLAN RLY TR# | 7/88 | \$16.27 | -0.9% |
| PENN REIT# | 8/83 | \$26.00b | -10.6% |
| PRU RL CAPITAL # | 12/88 | \$ 2.43 | -48.6% |
| SANTA ANITA | 12/88 | \$27.82 | 11.4% |
| SIERA CAP RLY IV# | 12/87 | \$ 7.88 | -35.0% |
| SIERRA RE EQ83# | 12/87 | \$10.11 | -32.0% |
| SIERRA RE EQ84# | 12/87 | \$ 8.40 | -22.6% |
| TRAML CROW REI# | 12/88 | \$11.46 | -49.8% |
| USP RL EST INV# | 12/88 | \$ 9.44 | -27.2% |
| UTD DOMINN RLY# | 12/88 | \$20.50b | -12.2% |
| WASH RE (WRIT)# | 12/88 | \$17.00b | 16.9% |
| WEINGARTEN RLY# | 12/88 | \$23.00b | 23.4% |
| WESTERN INV RE# | 12/88 | \$19.00b | -1.3% |
| AVERAGE | | | -17.5% |

| | | | |
|---------------------|-------|----------|--------|
| OPERATING COMPANIES | | | |
| BAY FINCL CORP | 5/88 | \$26.02 | -63.5% |
| EQK GRN ACRES LP# | 12/88 | \$13.93 | -10.3% |
| FORUM RET PFD UN# | 12/88 | \$11.08 | -51.5% |
| MAJOR REALTY | 9/87 | \$22.00 | -41.5% |
| MONY RL EST INV | 5/88 | \$10.34a | -19.0% |
| NEWHALL LAND | 12/88 | \$48.48 | 26.3% |
| PERINI INV PR# | 3/89 | \$26.09 | -34.8% |
| ROUSE CO# | 12/88 | \$30.65 | -5.4% |
| SOUTHWEST RLTY# | 2/89 | \$ 3.70 | -78.0% |
| AVERAGE | | | -30.8% |

Appraised market values of net assets (i.e., properties held) are reported publicly by companies. Values are estimated by management and concurred in by independent appraisers except for: New Plan Realty, management estimate only. Share values are fully diluted. a-Entity has not revealed mortgages. b-Estimated by RSR; not confirmed by Trust.

EQM

PMP20.90b

LSC 11.10

AMP 26.00

LOP-15.75b

RED-17b

COPLEY PROPERTIES, INC. (COP:ASE) RANK C

COP is a developmental participating-mortgage REIT that primarily invests in lucrative (hence riskier) to-be-built industrial and corporate park properties via participating mortgage joint ventures. COP lowers risk by using a hands-on approach in ventures with carefully screened local developers, and by building properties in phases in tune with market demand. COP is advised by Copley Real Estate Advisors, affiliate of New England Life and the nation's fourth largest property investor with \$13.2 bil. in invested assets. We drop to C Rank.

Gut Issue: With cash flow not supporting COP's dividend, can it maintain current payout? For assuming development risk, COP typically receives a preferred return from 10.0% to 12.5% on its development loan, plus an option for 50%-60% of equity in the property or joint venture at pre-negotiated prices. COP's strategy is to fund essentially all hard land and improvement costs, so as to buy at wholesale cost. When buildings are leased, COP plans to recover its loans by

refinancing properties with third-party lenders.

Today slow leasing at some properties is hurting cash flow. For example, at University Business Center, in Santa Barbara, Calif., the first phase is 90% leased and phase II is 62% leased. In March COP closed a \$13 mil. loan with a third-party lender secured by two buildings, but \$4.5 mil. was converted to equity (hence not earning a specified return) and held by the joint venture for development costs. COP projects an 11.5% total return on its investment in this project, but moving \$4.5 mil. from a 12.5% loan status to equity could slice \$0.035/qr. from COP's cash flow.

At 79,000 sq. ft., Los Angeles Corp. Center, COP funded \$907,000 to make final tenant improvements to the 50% of space leased to the Los Angeles Community Development Commission. But COP is still searching for a tenant to take the remaining space which is a cash drain, since the interest reserve on this project ended in June 1988.

Continued from page 1

—Southmark Corp.

(SM:NYSE) told creditors it doesn't expect to have the \$264 mil. needed for bond principal payments due in Nov., even after planned asset sales. SM is expected to present a plan to swap new equity for \$1.16 bil. bonds outstanding at a scheduled July 6 meeting. With SM common now trading at \$0.47/sh., common equity is worth only \$21 mil. at market. SM bonds have plunged 37% since mid-May and the bonds and notes are worth \$317 mil. at market, or an average 27% of par. Even SM's senior looks chancy now; avoid.

—Among REITs, MGI

Properties (MGI:NYSE), an equity REIT which acquired smaller Turner Equity Investors last Dec., cut dividends 30% to \$1.12 annual rate. MGI stock held at \$14.75 on the news, indicating the cut was already discounted (see RSR, Apr. 28). We are reducing MGI shares to B Rank and continue MGI in Portfolio Selector (p. 2) as a recovery candidate, and possibly a takeover candidate at current prices. MGI's 17% price decline since Jan. 1 means MGI couldn't raise new capital anytime soon.

Arizona Land Income Corp. (AZL:ASE), a Phoenix-based REIT investing in mortgages on Arizona land but not followed in RSR, cut payout 23% to \$0.23/qr. (\$0.92 annual rate), citing collection problems on two loans.

However sliced, we see a long recovery for real estate in general. Seasoned equity REITs and investment builders have shown ability to grow during recent bad times and represent best values today.

COP62389

AMP/10.10

And at 188,635 sq. ft. R&D Metro Business Park in Phoenix, current cash flow at the project is currently being diverted into a reserve in order to cover potential vacancies and tenant concessions when 90% of space rolls over by 1990 in the soft Phoenix market. COP reports overall 86% occupancy at completed projects at end of March, down 1% in the qtr.

EPS, CFS and dividends: First quarter EPS is off 27% to \$0.19 per share and CFS fell 21% to \$0.21 per share. COP projects 1989 cash flow at \$1.55/sh., down 10.4% due to slower leasing and higher interest. COP has held its dividend at \$0.42/share per quarter (\$1.68 annualized) but we doubt it can be maintained at this level for very long with current leasing performance. We feel reduced cash flow for the balance of 1989 could force COP to lower payout over the next year.

COP's \$74.2 mil. real estate investments are: 51% construction loans; 42% equity in joint ventures; 6% mortgage loans; and 2% land/options. COP has \$9.2 mil. unfunded commitments.

Current value: At Dec. 31, 1988 COP received an in-

dependant appraisal of \$23.37 per share, assuming COP exercises its equity options.

Advice: Wait or hold for longer-term turn around.

The key to COP's near-term success is strong leasing activity and development of expansion space in strong markets. Current investors should be willing to ride shares down on any future dividend cut, as the bottom of the real estate cycle nears. (MJH)

COP-ASE Rank C Dec. years 4.01 mil. shares.
Price: \$15.88 Div. \$1.68 Yld. 10.6%

| Year | Op.EPS | Op.CFS | Div. | High | Low | Yld.Range |
|-------|---------|---------|---------|---------|---------|-----------|
| 1985 | \$0.62a | \$0.68a | \$0.69a | \$19.75 | \$16.00 | NM - NM |
| 1986 | 1.36 | 1.63 | 1.65 | 20.00 | 16.38 | 10.1-8.3% |
| 1987 | 1.06 | 1.80 | 1.68 | 22.88 | 14.63 | 11.5-7.3 |
| 1988 | 0.94 | 1.73 | 1.68 | 20.00 | 16.75 | 10.0-8.4z |
| 1989E | 0.85 | 1.50 | 1.62 | 18.25 | 15.25z | |

a-began operations 5/85. z-To date.

Finances: Debt: \$6.8 mil. Equity: \$67.5 mil. or \$16.84 sh. Debt/Equity Ratio: 0.1 - 1.

Address: 399 Boylston St., Boston, Mass. 02116. (617) 578-1200.

END62389 ICM PROPERTY INVESTORS INC. (ICM:NYSE) RANK C

ICM is an equity-financing REIT that invests in both debt and equity positions, individually and thru joint venture partnership, in office properties. Soft leasing markets have hurt and complex accounting obscures results. Our Rank falls to C.

Gut Issue: With distributable cash falling, the market may be bracing for another dividend cut. ICM's distributable funds (defined as taxable income plus depreciation) fell 30% in the March 1989 qtr. to \$0.21/sh., or a \$0.13/sh. shortfall to the \$0.34 dividend. Part of this decline traced to changes in ICM's complex joint venture format at two properties reducing ICM's higher-earning mortgage investment and increasing its lower-earning equity investment. Unless cash flow turns around, we cannot see distributable funds (CFS) reaching more than the \$0.85-\$1.00/sh. range in 1989, suggesting a further cut in the payout sometime this year.

The properties in question are 252,000 sq.ft. Maitland Colonnades in Orlando, Fla. and 152,000 sq.ft. Texas Bank North in San Antonio. Each building completed major leases recently bringing occupancy to 90% and 82% respectively. But the two properties do not appear to be cash-flow positive yet.

Obscure results. Because some ICM properties are classed as joint ventures under general accounting principles, mortgage interest paid to ICM by ventures is reported as reduction in investment, not income. On a cash flow basis, ICM uses this cash for dividends (after adjusting for tax differences). The differences are striking: ICM reported losing \$0.73/sh. in 1988 and \$0.06 in the Mar. qtr. under general accounting principles, while distributable funds (cash flow) were a positive \$1.18 and \$0.21/sh. respectively. As ICM properties lease up, this spread should disappear and the numbers converge — but this may be a long way away. Nonetheless, the accounting system repels investors by obscuring how ICM is doing.

One way to measure ICM's progress is by property oc-

cupancy. ICM began reporting leasing percentage for each individual investment property nearly two years ago and also has stripped the mystery from rental concessions in today's office market by reporting differences between amounts of space leased. The current numbers: All properties are 86% leased at Mar. 1989, vs. 75% when we looked last Sept. 30. Rent concessions have burned off and 71% of space is rent-paying, vs. 63% last Sept. 30.

What's ICM worth? But if ICM is laboring as an income/cash flow vehicle, investor attention inevitably focuses on what it's really worth. ICM's \$118.9 mil. portfolio gives it interests in 11 offices with 1.34 mil. sq. ft.; investments divide 45% unconsolidated joint venture partnerships (ICM investment: \$2.4 mil. equity, \$50.9 first mortgages); 33% consolidated joint ventures (Maitland and Texas Bank North); and 22% wholly-owned properties.

The impression is that because its properties are leasing slowly, ICM's shares may not be worth their \$14.06/sh. net equity plus accumulated depreciation. We've measured ICM's properties against some benchmark current property value data and conclude that ICM could be worth \$13/sh. in a worst case to \$18/sh. on the high side.

Advice: We retain shs. in Portfolio Planner; they are buys on dips below \$10, especially if dividend is cut. (KDC)

ICM-NYSE Rank C Dec. years 5.65 mil. shs.
Price: \$9.88 Div. \$1.36 Yld. 13.8%

| Year | Op.EPS | Op.CFS | Div. | High | Low | Yield |
|-------|--------|-----------|--------|---------|---------|-------|
| 1985 | \$1.19 | NM | \$1.21 | \$19.75 | \$14.13 | 6-9% |
| 1986 | 0.67 | \$1.43 | 1.39 | 16.25 | 13.25 | 9-11 |
| 1987 | d0.90a | 1.25 | 1.48 | 15.50 | 8.00 | 10-19 |
| 1988 | d0.73 | 1.18 | 1.36 | 11.50 | 8.50 | 12-16 |
| 1989E | NE | 0.85-1.00 | 1.00 | 10.50 | 8.63z | |

a-Incl. \$0.73/sh. investment writedown. z-To date

Finances: Debt: \$50.1 mil.; Eq: \$73.3 mil.; dep: \$3.8 mil.; total equity + deprec.: \$14.06/share. Debt/eq. 0.78-1.
Address: 600 Third Ave., New York, N.Y. 10016. Phone: (212) 966-5640.

END62389 ONE LIBERTY PROPERTIES, INC. (OLP:ASE) RANK B

Started to buy a package of 40 retail stores net leased to Firestone Tire, OLP passed management control to Gould Investors, L.P. in June after a protracted dialogue. OLP now hopes to raise new capital and make net leases based more on the value of properties than on the credit rating of the lessee. We are holding B Rank.

Gut issue: Can OLP's new business plan boost

return to common shareholders? The answer hinges upon two intertwined actions:

First, should you exchange OLP common for a new preferred? OLP is currently offering existing shareholders, other than Gould which owns 39.9% of OLP shares, the right to exchange each common share for a new share of a \$1.60 cumulative convertible preferred. The \$1.60 pref would have

\$16.50 liquidation preference, convert into 0.825 common share (i.e., at \$20/common), have one-half vote per share, and carry the option to put the stock to OLP at \$16.50 in 10 years.

The new pref would effectively leverage OLP's existing unleveraged equity base at an effective 9.7%, the exact leverage depending upon the number of shareholders opting for the new pref. Here is how adjusted common earnings (excluding 1988's special costs), book value, and common shares out would look assuming various percentages of shareholders take the new pref:

| | Adjusted 30.0% Accept | 60.1% Accept | |
|-------------------------|-----------------------|--------------|------------|
| Adjusted common EPS | \$1.31/sh. | \$1.19/sh. | \$0.88/sh. |
| Book value/common sh. | \$12.74 | \$10.41 | \$ 5.82 |
| Common shares out (Th.) | 2,203 | 1,541 | 880 |

Based on these numbers we expect OLP common to pay a much lower dividend than the current \$1.60 annual rate once the exchange offer ends. And shares could well drop sharply in market price until success of OLP's new business plan becomes clearer. Because of these dynamics, we suggest conservative, income oriented investors take the pref, while capital-gains oriented investors will hold the common.

Second, can OLP boost return on equity by leveraging? OLP has been earning and paying about 9.9% on shareholders' equity (altho return fell to 9.0% in 1988 because of litigation settlements and before financial advisory costs). Previous attempts to boost return were hurt by limited returns on credit leases (which track bond rates) and OLP's rules limiting borrowing to 50% of equity (and 33% of equity for unsecured

debt). As part of OLP's new tack, it may now borrow up to 300% of net assets, including any newly created preferred stock under the exchange.

Can Gould open this new business line profitably? Five years ago Gould management took over a broken-down mortgage REIT and converted it into one of the largest and most successful short-term mortgage trusts, BRT Realty Trust (BRT:NYSE). In 1986 it converted an equity REIT into Gould Investors L.P. (GLP:ASE) which owns offices and shopping centers in Manhattan and other cities. One part of the GLP restructuring involved a debenture exchange which ended cash dividends on old GLP common. GLP management has extraordinarily real estate sense and should be able to pull off their incursion into net leases via OLP.

Advice: New purchases should be deferred until results of the exchange are known and OLP's new business mix and dividend become clearer. Existing holders will act as advised above. (KDC)

OLP: ASE Rank B Dec. yrs. 2.20 mil. shs.
Price: \$14.38 Div.: None till exchange closes Yld.: NA%

| Yr. | Op. EPS | Div. | High | Low | Yld. Range |
|-------|---------|--------|---------|---------|------------|
| 1986 | \$1.36 | \$1.72 | \$18.13 | \$14.38 | 12.0-9.5% |
| 1987 | 1.24 | 1.34 | 17.38 | 10.13 | 13.2-7.7 |
| 1988 | 0.29a | 0.70 | 16.75 | 11.00 | 6.4-4.2 |
| 1989E | NE | NE | 14.88 | 12.63z | |

a-After \$1.02 financial advisory and litigation costs. z-To date.

Financing: Debt: \$0.05 mil.; Eq: \$27.5 mil.; Deprec.: \$2.3 mil.; Eq. + dep. equal \$13.52/sh. Debt/eq. ratio: .002-1
Address: 60 Cutter Mill Rd., Great Neck, NY 11021. (516) 466-3100.

ROCKEFELLER CENTER PROPERTIES INC. (RCP:NYSE) RANK B END 62389

RCP, holder of a \$1.3 bil. mortgage convertible (in Dec., 2000) into 71.5% interest in the Manhattan urban center of the same name, went public in Sept. 1985 in a complex deal with massive overhanging dilution. In Dec. 1987 RCP began using some fancy financial footwork to limit this dilution and boost ultimate common share value by repurchasing convertible debt. No debt has been repurchased since June 1988 however. Our Rank of B is maintained.

Gut Issue: Can RCP get cash flow back on track now that interest rates have come down a bit? Since 1987, RCP borrowed \$142.2 mil. to repurchase debentures, seeking to hedge the interest rate risk on the new borrowings. But the rate surge in late 1988 and thru the March 1989 qtr. sent interest costs soaring. As a result, earnings and cash flow suffered during most of 1989 and March EPS before extraordinary gains sagged 19% to \$0.26/sh. Falling rates should boost EPS in the June qtr., although actual rates are down less than investor expectations. We think RCP has enough cushion to maintain the current \$1.84 dividend, and the nontaxable portion (28% last year) should remain about the same unless more debentures are repurchased.

Shrinking dilution. Despite the negative impact of debenture repurchases on EPS, the repurchase program so far has eliminated 21 mil. shs. from the potential 72.16 mil. conversion shares overhanging RCP common. This will help ultimate workout value of RCP shares. But overseas markets, where the RCP convertibles and zeroes are traded, have quickly caught on to RCP's strategy and this purchase window may not open anytime soon. Thus we think investors today have to value RCP without benefit of any additional debenture repurchases.

Repurchases have already increased ultimate ownership percentage for outstanding common shares by 8%, from 34.2% to 42.3%. RCP has now bought 15% of \$335 mil. of current coupon debentures convertible at \$11.82; and 38% of \$952.25 mil. face amount zero coupon debentures convertible at

\$21.71 into 43.86 mil. shs. But debenture repurchases halted after mid-1988 and current prices probably preclude any new buys for awhile.

RCP's ultimate value still hinges upon appreciation at the underlying Rockefeller Center in mid-Manhattan. The 6.2 mil. sq. ft. complex was 98.4% occupied at Mar. 31, vs. about 87% for midtown Manhattan, and new rents run \$40-\$45/sq. ft. The Center has signed a long-term lease assuring NBC's continued tenancy at about 91% of rents projected in RCP's 1985 offering. The Center's negative cash flow is diminishing. All this means the Center is performing more or less as projected in an overbuilt office market.

RCP's appraised value had been rising at about 5% annually, but appreciation slowed to 2.25% in 1988. With Manhattan office construction moving west to Times Square, demand for prime space in the Rock Center area should remain strong. We think this translates into longer-term value gains in the 5%/yearly range — or enough to give RCP a value of about \$25.50 in 2000 for a 10.36% real return over the next 11 years for very long-term investors.

Advice: We continue to see RCP common as an opportunity to earn well above premium property returns on a world-class property. (KDC)

RCP-NYSE Rank B Dec. years. 37.5 mil. shs.
Price: \$19.25 Div. \$1.84 Yld. 9.6%

| Yr. | Op. EPS | CFS | Div. | High | Low | Yield |
|-------|---------|--------|--------|---------|---------|-------|
| 1985 | \$0.35b | \$0.50 | \$0.44 | \$20.38 | \$17.50 | 9-10% |
| 1986 | 1.26 | 1.73 | 1.76 | 22.13 | 17.88 | 8-10 |
| 1987 | 1.22a | 1.83 | 1.80 | 22.50 | 14.25 | 8-13 |
| 1988 | 1.19a | 1.65 | 1.84 | 20.38 | 17.38 | 9-11 |
| 1990E | | | 1.84 | 19.63 | 18.50z | |

a-Plus debt repurchase gains: '87-\$0.11; '88-\$0.13. z-To date. b-From Sept. 19, 1985.

Finances: Debt: \$816.9 mil.; Equity: \$634.4 mil. equals \$16.91/sh.

Address: 1166 Ave. of Americas, New York 10036. (212) 841-7760.

| RANK | NAME (REVIEW DATE) | EXCH/ SYMBOL GROUP | SHARES (000) | BOOK VALUE | ANN DIV | -EARNINGS-- MON 12 MO | LAST PRICE | % CHANGE FROM MAY 24 JAN 1 | P/E RATIO | % ANN YIELD | % PR TO BK | RETURN ON BK | MKT VAL MIL \$ | | |
|------|--------------------------------|-----------------------|-----------------|---------------|------------|--------------------------|---------------|-------------------------------|--------------|----------------|---------------|-----------------|-------------------|--------|-------|
| B | AMER HEALTH PROP# (06/14/89) | NY-AHE | 2 | 11109 | 18.67 | 2.20 MAR | 2.22 | 20.00 | -1.8 | 11.9 | 9.0 | 11.0 | 7.1 | 11.9 | 222.2 |
| * | AMER SW MTG INVMT (01/27/89) | AS-ASR | 4 | 14326 | 9.77 | 0.36 S MAR | 1.21 D | 4.00 | 3.2 | -51.5 | 3.3 | 9.0 | -59.1 | 12.4 | 57.3 |
| C | AMERICAN REALTY (02/10/89) | NY-ARB | 4 | 21728 | 6.58 | 0.72 SEP | 1.86 | 4.25 | -2.9 | -5.6 | 2.3 | 16.9 | -35.4 | 28.3 | 92.3 |
| B | F-ANGELES FINC TRST | AS-ANF | 4 | 1051 | 17.82 | 2.32 D DEC | 1.89 U | 15.75 | 1.6 | 7.7 | 8.3 | 14.7 | -11.6 | 10.6 | 16.6 |
| B | ANGELL REAL EST# (06/14/89) | NY-ACR | 2 | 3622 | 13.30\$ | 1.52 S MAR | 1.70 | 11.00 | 1.1 | 35.4 | 6.5 | 13.8 | -17.3 | 12.8 | 39.8 |
| C | ASSET INVESTORS (09/09/88) | NY-AIC | 4 | 13892 | 14.73 | 1.00 D MAR | 2.20 | 8.75X | 5.9 | -22.2 | 4.0 | 11.4 | -40.6 | 14.9 | 121.6 |
| * | B-B RL EST INV# (12/23/88) | AS-BBR | 1 | 6412 | 6.52 | 0.17 DEC | 0.18 | 3.38X | 1.3 | -3.6 | 18.8 | 5.0 | -48.2 | 2.8 | 21.6 |
| * | BODDIE-NOEL PROP# | AS-BNP | 2 | 2850 | 11.40 | 1.36 MAR | 1.35 | 13.38 | 0.9 | 0.9 | 9.9 | 10.2 | 17.3 | 11.8 | 38.1 |
| Z | BRADLEY RL EST# (07/08/88) | OC-BRLYS | 1 | 3360 | 5.10 | 0.68 S DEC | 0.54 | 13.63X | 0.3 | 0.9 | 25.2 | 5.0 | 167.2 | 10.6 | 45.8 |
| A | BRE PROPERTIES# (07/08/88) | NY-BRE | 1 | 7876 | 19.56\$ | 2.40 S JAN | 2.37 | 29.88X | 3.3 | -2.8 | 12.6 | 8.0 | 52.7 | 12.1 | 235.3 |
| B | BRT REALTY (02/10/89) | NY-BRT | 4 | 7334 | 14.50 | 2.48 MAR | 2.49 | 16.00X | 0.7 | -14.7 | 6.4 | 15.5 | 10.3 | 17.2 | 117.3 |
| B | BURNHAM PAC PROP# (04/21/89) | AS-BPP | 1 | 5860 | 14.58\$ | 1.36 S MAR | 1.35 | 19.00X | 3.8 | 1.3 | 14.1 | 7.2 | 30.3 | 9.3 | 111.3 |
| B | P-CALIF JOCKEY CLUB (08/12/88) | AS-CJ | 1 | 5773 | 4.35 | 0.95 MAR | 0.72 D | 18.00X | 2.1 | 14.3 | 25.0 | 5.3 | 313.8 | 16.6 | 103.9 |
| Z | CALIFORNIA REI (03/11/88) | NY-CT | 1 | 4986 | 6.91 | 0.40 MAR | -0.03 | 4.25 | -5.6 | -26.1 | 0.0 | 9.4 | -38.5 | -0.4 | 21.2 |
| * | F-CEDAR INC FUND I# | OC-CEDR | 1 | 1440 | 8.54\$ | 0.50 MAR | 0.41 | 5.25 | -4.5 | -22.2 | 12.8 | 9.5 | -38.5 | 4.8 | 7.6 |
| B | CENVILL INVSTR (02/10/89) | NY-CVI | 3 | 6883 | 12.66 | 1.60 MAR | 1.73 | 12.00X | -10.6 | 6.9 | 13.3 | | -5.2 | 13.7 | 82.6 |
| B | CHICAGO DOCK&CANL (03/10/89) | OC-DOCKS | 1 | 5784 | 6.34 | 0.24 S JAN | -0.16 | 26.00 | -1.0 | 5.1 | 0.0 | 0.9 | 310.1 | -2.5 | 150.4 |
| C | CLEVEFTRUST RLTY# (08/12/88) | OC-CTRIS | 1 | 1968 | 18.36 | 0.00 MAR | 0.45 U | 5.75 | 4.5 | 24.3 | 12.8 | 0.0 | -68.7 | 2.5 | 11.3 |
| * | COLUMBIA RE INVST (09/09/88) | AS-CIV | 4 | 5510 | 9.33 | 0.88 MAR | 0.91 D | 7.25X | 3.0 | 9.4 | 8.0 | 12.1 | -22.3 | 9.8 | 39.9 |
| B | COPLEY PROPS# (06/23/89) | AS-COP | 3 | 4008 | 16.84\$ | 1.68 MAR | 1.71 D | 15.88 | 1.6 | -8.6 | 9.3 | 10.6 | -5.7 | 10.2 | 63.6 |
| C | COUNTRYWIDE MTG (09/09/88) | NY-CWM | 4 | 13645 | 8.11 | 0.80 MAR | 0.90 | 5.50 | 0.0 | 2.3 | 6.1 | 14.5 | -32.2 | 11.1 | 75.0 |
| A | COUSINS PROPS (03/10/89) | OC-COUS | 1 | 17303 | 6.24 | 0.60 MAR | 0.55 | 18.50 | -10.8 | 20.3 | 33.6 | 3.2 | 196.5 | 8.8 | 320.1 |
| * | F-CRI INS MTG II | NY-CII | 4 | 8536 | 15.30 | 2.13 MAR | 1.46 | 13.75 | 25.0 | -0.9 | 9.4 | 15.5 | -10.1 | 9.5 | 117.4 |
| * | DEL-VAL FINCL | NY-DVL | 4 | 3910 | 10.76 | 1.56 U MAR | 1.83 U | 17.25X | 3.1 | 3.8 | 9.4 | 10.8 | 60.3 | 17.0 | 67.4 |
| B | DIAL REIT INC# (07/08/88) | OC-DEAL | 1 | 3822 | 17.43 | 1.68 U MAR | 1.72 | 18.75X | 5.0 | 5.6 | 10.9 | 9.0 | 7.6 | 9.9 | 71.7 |
| * | DUKE RLTY INVST# (10/28/88) | NY-DRE | 1 | 8594 | 7.23\$ | 0.68 DEC | 0.63 | 5.63 | 4.7 | 0.0 | 8.9 | 12.1 | -22.2 | 8.7 | 48.3 |
| B | EASTGROF PROPS (12/09/88) | AS-EGP | 1 | 2530 | 21.55 | 2.60 S MAR | 5.42 | 24.75 | 10.0 | 15.1 | 4.6 | 10.5 | 14.8 | 25.2 | 62.6 |
| B | EASTOVER CORP | OC-EASTS | 3 | 1146 | 14.94 | 1.60 MAR | 2.67 | 13.00 | 0.0 | -13.3 | 4.9 | 12.3 | -13.0 | 17.9 | 14.9 |
| * | EMERALD MTG INVST (09/23/88) | NY-EIC | 4 | 8750 | 9.49 | 0.00 MAR | 1.10 | 4.38 | 29.6 | -44.4 | 4.0 | 0.0 | -53.9 | 11.6 | 38.3 |
| A | FEDERAL REALTY# (04/21/89) | NY-FRT | 1 | 13896 | 10.18\$ | 1.40 MAR | 1.57 | 24.25X | 4.7 | 14.8 | 15.4 | 5.8 | 138.2 | 15.4 | 337.0 |
| * | FIRST CONTRL REIT | OC-FRCES | 4 | 5103 | 2.80 | 0.00 FEB | -0.81 U | 0.50 | -33.3 | -20.0 | 0.0 | 0.0 | -82.1 | -28.9 | 2.6 |
| A | FIRST UNION RE# (04/21/89) | NY-FUR | 1 | 17683 | 8.89\$ | 1.50 S MAR | 1.47 | 19.63 | 0.0 | 7.5 | 13.4 | 7.6 | 120.8 | 16.5 | 347.0 |
| B | GOLDEN CORRAL# (07/08/88) | OC-GCRA | 2 | 1480 | 9.34 | 1.00 MAR | 1.09 D | 8.25 | -10.8 | 0.0 | 7.6 | 12.1 | -11.7 | 11.7 | 12.2 |
| B | F-GRUB&ELLS REIT (10/09/87) | OC-GRIT | 5 | 2500 | 8.94\$ | 0.64 MAR | 0.55 | 7.00 | 1.8 | 9.8 | 12.7 | 9.1 | -21.7 | 6.2 | 17.5 |
| A | HEALTH CARE PRP# (06/14/89) | NY-HCP | 2 | 9160 | 22.28 | 2.81 MAR | 2.96 | 29.25 | 8.3 | 13.0 | 9.9 | 9.6 | 31.3 | 13.3 | 268.5 |
| B | HEALTH CARE REIT (06/14/89) | AS-HCN | 4 | 6026 | 12.11 | 1.60 MAR | 1.70 | 14.38 | 0.9 | 21.1 | 8.5 | 11.1 | 18.7 | 14.0 | 86.6 |
| B | HEALTHVEST# (06/14/89) | AS-HVT | 2 | 11320 | 20.22 | 2.68 MAR | 2.66 D | 16.00 | -0.8 | -8.6 | 6.0 | 16.8 | -20.9 | 13.2 | 181.1 |
| C | HLTH & REHAB PRP# (06/14/89) | NY-HRP | 2 | 9998 | 8.77 | 1.12 MAR | 1.15 U | 9.13 | 7.4 | 7.4 | 7.9 | 12.3 | 4.0 | 13.1 | 91.2 |
| C | HMG/COURTLND PROP (10/28/88) | AS-HMG | 1 | 1216 | 19.62 | 0.60 S MAR | -1.84 D | 10.38X | -0.9 | -17.0 | 0.0 | 5.8 | -47.1 | -9.4 | 12.6 |
| C | F-HOLLYWOOD PK RLTY (02/24/89) | OC-HTRFZ | 1 | 3956 | 0.70 | 0.00 MAR | -3.26 D | 27.00 | 0.9 | 28.6 | 0.0 | 0.0 | 3757.1 | -465.7 | 106.8 |
| B | F-HOTEL INVESTORS# (12/23/88) | NY-HOT | 1 | 12129 | 15.83 | 1.00 DEC | 0.82 | 9.13 | -3.9 | -1.4 | 11.1 | 11.0 | -42.4 | 5.2 | 110.7 |
| C | HRE PROPERTIES# (04/21/89) | NY-HRE | 1 | 5989 | 24.89\$ | 1.80 S JAN | 1.79 | 23.38 | 2.2 | 8.7 | 13.1 | 7.7 | -6.1 | 7.2 | 140.0 |
| B | ICM PROP INVSTR# (06/23/89) | NY-ICM | 3 | 5476 | 14.07 | 1.36 DEC | 1.18 | 9.88 | 6.8 | 3.9 | 8.4 | 13.8 | -29.8 | 8.4 | 54.1 |
| B | F-INCOME OPP RLTY# (12/24/87) | AS-IOT | 3 | 3692 | 16.52 | 0.60 S SEP | 0.40 | 8.75X | 7.9 | 11.1 | 21.9 | 6.9 | -47.0 | 2.4 | 32.3 |
| A | INTL INCOME PR# (04/28/89) | AS-IIP | 1 | 15736 | 9.12\$ | 1.08 DEC | 0.86 | 14.50 | -0.9 | 9.8 | 16.9 | 7.4 | 59.0 | 9.4 | 228.2 |
| A | INVG MTG SECS (06/14/89) | OC-INVG | 4 | 682 | 27.84 | 1.40 D MAR | -1.74 U | 10.50 | 10.5 | 23.5 | 0.0 | 13.3 | -62.3 | -6.3 | 7.2 |
| A | IRT PROPERTY CO# (04/21/89) | NY-IRT | 1 | 12140 | 9.07\$ | 1.16 MAR | 1.23 | 14.25 | 4.0 | -3.7 | 11.6 | 8.1 | 57.1 | 13.6 | 173.0 |
| * | F-JOHNSTWN/CONS RL# (09/09/88) | NY-JCT | 3 | 12280 | 13.59 | 0.70 S DEC | -1.44 D | 7.00X | -1.0 | 33.3 | 0.0 | 10.0 | -48.5 | -10.6 | 86.0 |
| * | ROGER EQUITY INC# (03/10/89) | AS-KE | 1 | 10000 | 18.82 | 1.80 MAR | 1.87 | 19.63 | 1.3 | 4.7 | 10.5 | 9.2 | 4.3 | 9.9 | 196.3 |
| C | L&N HOUSING (05/13/88) | NY-LHC | 5 | 2200 | 19.42 | 1.64 MAR | -1.11 | 13.75X | 4.9 | -6.0 | 0.0 | 11.9 | -29.2 | -5.7 | 30.3 |
| * | LANDSING PACIFIC# | AS-LPF | 1 | 6157 | 19.23 | 0.80 MAR | 0.68 U | 8.38 | 11.7 | -5.6 | 12.3 | 9.6 | -56.4 | 3.5 | 51.6 |
| * | LINCOLN NC RL FND | AS-LRF | 3 | 1998 | 13.25 | 1.40 S MAR | 1.45 | 9.00 | 0.0 | 0.0 | 6.2 | 15.6 | -32.1 | 10.2 | 18.0 |
| * | F-LINERO SPED PROP (10/09/87) | AS-LPO | 1 | 1856 | 9.06 | 0.00 MAR | 0.05 | 2.13 | -6.3 | -19.0 | 42.5 | 0.0 | -76.5 | 0.6 | 3.9 |
| B | LOMAS & NET MTG (02/10/89) | NY-LOM | 4 | 11704 | 23.43 | 2.40 MAR | 2.40 | 16.88 | 6.3 | -6.3 | 7.0 | 14.2 | -28.0 | 10.2 | 197.5 |
| C | LOMAS MTG CORP (09/09/88) | NY-LMC | 4 | 8700 | 20.28 | 2.00 S MAR | 2.29 | 18.00X | 15.6 | 9.1 | 7.9 | 11.1 | -11.2 | 11.3 | 156.6 |
| * | MEDICAL PROPS# | AS-MPP | 2 | 2369 | 11.68 | 1.20 S SEP | 1.31 | 8.75 | 1.4 | 14.8 | 6.7 | 13.7 | -25.1 | 11.2 | 20.7 |
| B | MEDITRUST# (06/14/89) | NY-MT | 2 | 15721 | 15.85 | 2.12 U MAR | 2.01 | 18.50 | 7.2 | 8.8 | 9.2 | 11.5 | 16.7 | 12.7 | 290.8 |
| B | F-MELLON PART MTG (02/10/89) | OC-MPHTS | 5 | 8645 | 9.18 | 0.92 MAR | 0.75 D | 7.38 | 0.0 | -1.7 | 9.5 | 12.5 | -19.7 | 8.5 | 63.8 |
| B | MERRY LAND & INV (09/09/88) | OC-MERY | 3 | 9779 | 6.72 | 0.00 MAR | 0.91 | 6.00 | 14.3 | -20.0 | 6.6 | 0.0 | -10.7 | 13.5 | 58.7 |
| B | MGI PROPERTIES# (07/08/88) | NY-MGI | 1 | 9425 | 17.71 | 1.12 D FEB | 1.66 | 15.00 | 2.6 | -14.9 | 9.0 | 7.5 | -15.3 | 9.4 | 141.4 |
| B | MONMOUTH REIT# (01/27/89) | OC-MNRTS | 3 | 1573 | 4.41 | 0.70 SEP | 0.52 | 5.75 | 4.5 | -4.2 | 11.1 | 12.2 | 30.4 | 11.8 | 9.0 |
| C | MSA REALTY CORP# (02/24/89) | AS-SSS | 3 | 8647 | 7.33\$ | 0.60 S MAR | 0.56 D | 9.13X | 23.7 | 15.9 | 16.3 | 6.6 | 24.5 | 7.6 | 78.9 |
| B | MTG & RLTY TRUST (02/24/89) | NY-MRT | 3 | 10797 | 16.97 | 2.00 MAR | 1.92 | 17.38 | 3.0 | 2.2 | 9.0 | 11.5 | 2.4 | 11.3 | 187.6 |
| B | MTG INVSTMT PLUS# (12/23/88) | AS-MIP | 3 | 9020 | 8.42 | 0.80 MAR | 0.77 | 7.50X | -0.6 | 3.4 | 9.7 | 10.7 | -10.9 | 9.1 | 67.7 |
| C | NATIONWIDE HLTH# (06/14/89) | NY-NHP | 2 | 8195 | 20.22 | 1.00 MAR | 2.29 | 13.00 | 22.4 | 10.6 | 5.7 | 7.7 | -35.7 | 11.3 | 106.5 |
| A | NEW PLAN RLY TR# (04/21/89) | NY-NPR | 1 | 34190 | 8.53\$ | 1.00 JAN | 0.87 | 16.13X | 3.1 | 1.6 | 18.5 | 6.2 | 89.0 | 10.2 | 551.3 |
| * | F-NOONEY RLTY TR# | OC-NRTI | 1 | 867 | 16.63 | 0.32 DEC | 0.14 | 8.88 | 18.3 | 1.4 | 63.4 | 3.6 | -46.6 | 0.8 | 7.7 |
| B | ONE LIBERTY PR# (06/23/89) | AS-OLP | 2 | 2203 | 13.52 | 0.00 MAR | 0.34 | 14.50 | 9.4 | 1.8 | 42.6 | 0.0 | 7.2 | 2.5 | 31.9 |
| A | PENN REIT# (04/28/89) | AS-PEI | 1 | 8199 | 10.08\$ | 1.68 FEB | 1.68 | 23.25 | 8.1 | 2.2 | 13.8 | 7.2 | 130.7 | 16.7 | 190.6 |
| A | PITTS & WVA RR | AS-PW | 2 | 1510 | 6.07 | 0.56 MAR | 0.55 S | 5.88X | 4.6 | -6.0 | 10.7 | 9.5 | -3.2 | 9.1 | 8.9 |
| B | PRESIDNTL RL-A# | AS-PDL-A | 3 | 479 | 4.31 | 1.66 DEC | 2.17 | 12.38X | -0.7 | -10.8 | 5.7 | 13.4 | 187.1 | 50.3 | 5.9 |
| B | PRESIDNTL RL-B# | AS-PDL-B | 3 | 2801 | 4.31 | 1.66 DEC | 2.17 | 12.38X | 2.3 | -11.6 | 5.7 | 13.4 | 187.1 | 50.3 | 34.7 |
| A | PROPERTY TR AMER# (02/24/89) | OC-PTAS | 1 | 5061 | 10.50 | 0.84 MAR | 0.91 | 10.00 | -1.2 | 2.6 | 11.0 | 8.4 | -4.8 | 8.7 | 50.6 |
| B | F-PRU RL CAPITAL# (07/08/88) | NY-PRT | 1 | 11135 | 1.40\$ | 0.00 --- | 0.00 | 1.25 | 0.0 | 0.0 | 0.0 | 0.0 | -10.7 | 0.0 | 13.9 |
| B | F-PRU RL INCOME# (07/08/88) | NY-PRTR | 1 | 11135 | 8.00 | 0.68 MAR | 0.68 S | 6.63 | 6.0 | 6.0 | 9.7 | 10.3 | -17.2 | 8.5 | 73.8 |
| * | RAC MTG INVESTMT (09/23/88) | NY-RMR | 4 | 14450 | 8.49 | 0.72 MAR | 0.76 | 4.75 | -5.0 | -41.5 | 6.3 | 15.2 | -44.1 | 9.0 | 68.6 |
| B | REALTY REFUND | NY-RRF | 4 | 1021 | 18.28 | 1.72 APR | 1.72 | 14.50 | 0.9 | 1.8 | 8.4 | 11.9 | -20.7 | 9.4 | 14.8 |
| C | REALTY SOUTH | AS-RSI | 5 | 2098 | 11.28 | 0.68 DEC | 0.59 | 6.38 | -5.6 | -39.3 | 10.8 | 10.7 | -43.5 | 5.2 | 13.4 |
| A | REIT OF CALIF# (03/11/88) | NY-RCT | 1 | 7325 | 12.27 | 1.38 S MAR | 1.51 U | 16.63 | 1.5 | 4.7 | 11.0 | 8.3 | 35.5 | 12.3 | 121.8 |
| * | RESIDENTIAL MTG | AS-RMI | 4 | 4220 | 7.75 | 0.00 MAR | 0.03 D | 1.38 | -8.3 | -56. | | | | | |

| RANK | NAME (REVIEW DATE) | EXCH/ SYMBOL | GROUP | SHARES (000) | BOOK VALUE | ANN DIV | -EARNINGS-- MON 12 MO | LAST PRICE | % CHANGE FROM MAY 24 JAN 1 | P/E RATIO | % ANN YIELD | % PR TO BK | RETURN ON BKX | MKT VAL MIL \$ | |
|-------------------------------|---------------------------------|-----------------|-------|-----------------|---------------|------------|--------------------------|---------------|-------------------------------|--------------|----------------|---------------|------------------|-------------------|--------|
| A | P-SANTA ANITA (04/28/89) | NY-SAR | 1 | 11078 | 10.79\$ | 2.08 S | MAR 1.41 | 31.00 | 3.8 | -4.6 | 22.0 | 6.7 | 187.3 | 13.1 | 343.4 |
| * | F-SIERA CAP RLY IV# | AS-SZD | 1 | 7506 | 7.91\$ | 0.30 S | SEP 0.40 | 5.13X | 6.7 | -8.9 | 12.8 | 5.9 | -35.2 | 5.1 | 38.5 |
| * | F-SIERA CAP RLY VI# | AS-SZF | 1 | 3548 | 8.13 | 0.23 S | SEP 0.17 | 5.63X | -1.8 | -23.7 | 33.1 | 4.1 | -30.8 | 2.1 | 20.0 |
| * | F-SIERA RE EQB3# | OC-SETBS | 1 | 3047 | 7.67\$ | 0.25 S | SEP 0.36 | 6.88X | 2.8 | 10.0 | 19.1 | 3.6 | -10.4 | 4.7 | 20.9 |
| * | F-SIERA RE EQB4# | OC-SETC | 1 | 4887 | 7.57\$ | 0.10 S | SEP 1.07 | 6.50 | -5.5 | 18.2 | 6.1 | 1.5 | -14.1 | 14.1 | 31.8 |
| B | SIZELER PROP INV# (02/24/89) | NY-SIZ | 1 | 3716 | 18.90 | 1.56 DEC | 1.49 | 15.75 | 3.3 | 6.8 | 10.6 | 9.9 | -16.7 | 7.9 | 58.5 |
| C | STORAGE EQUITIES (10/14/88) | NY-SEQ | 1 | 10943 | 14.63 | 1.40 MAR | 1.02 | 12.88 | 0.0 | 14.4 | 12.6 | 10.9 | -12.0 | 7.0 | 140.9 |
| R C | STRATEGIC MTG (05/13/88) | NY-STM | 4 | 5465 | 18.46 | 1.28 S | MAR 1.70 | 12.75X | 7.8 | 3.0 | 7.5 | 10.0 | -30.9 | 9.2 | 69.7 |
| * | TIS MTG INVSTMT (09/23/88) | NY-TIS | 4 | 8100 | 9.08 | 1.20 S | DEC 0.97 | 8.88 | 20.3 | 10.9 | 9.1 | 13.5 | -2.3 | 10.7 | 71.9 |
| C | F-TRAML CROW REI# (07/08/88) | NY-TCR | 1 | 9075 | 10.96\$ | 1.26 MAR | 1.26 | 5.75 | -8.0 | -20.7 | 4.6 | 21.9 | -47.5 | 11.5 | 52.2 |
| A | UNIV HEALTH RLTY# (06/14/89) | NY-UHT | 2 | 7047 | 13.97 | 1.44 S | MAR 1.58 U | 13.25X | 3.7 | 11.6 | 8.4 | 10.9 | -5.2 | 11.3 | 93.4 |
| B | USP RL EST INV# | AS-URT | 1 | 3880 | 8.02\$ | 1.00 MAR | 0.49 D | 6.88 | -1.8 | -12.7 | 14.0 | 14.5 | -14.3 | 6.1 | 26.7 |
| A | UTD DOMINN RLY# (04/21/89) | OC-UDRT | 1 | 3296 | 12.74\$ | 1.20 S | MAR 1.23 U | 18.00 | 1.4 | -0.7 | 14.6 | 6.7 | 41.3 | 9.7 | 149.3 |
| * | F-VMS HOTEL INVSTMT | AS-VHT | 5 | 9863 | 8.75 | 0.90 MAR | 0.70 | 5.88 | 0.0 | -9.6 | 8.4 | 15.3 | -32.9 | 8.0 | 57.9 |
| * | VMS S/T INCOME | AS-VST | 4 | 6918 | 9.33 | 1.16 MAR | 1.11 | 7.50 | -3.2 | -3.2 | 6.8 | 15.5 | -19.6 | 11.9 | 51.9 |
| * | VMS STRATEGIC LAND | OC-VLANS | 5 | 11994 | 8.59 | 1.20 MAR | 0.97 | 7.50 | -7.7 | 1.7 | 7.7 | 16.0 | -12.7 | 11.3 | 90.0 |
| A | WASH RE (WRIT)# (04/21/89) | AS-WRE | 1 | 15433 | 7.24\$ | 1.00 MAR | 1.12 | 19.88X | 0.6 | -5.4 | 17.7 | 5.0 | 174.5 | 15.5 | 306.7 |
| * | WEDGESTONE FINCL (02/10/89) | NY-WDG | 4 | 5795 | 6.15 | 0.00 MAR | -2.24 | 2.75 | 15.8 | 0.0 | 0.0 | 0.0 | -55.3 | -36.4 | 15.9 |
| A | WEINGARTEN RLY# (04/21/89) | NY-WRI | 1 | 13984 | 13.70\$ | 1.76 DEC | 2.53 | 28.38X | 2.5 | 10.7 | 11.2 | 6.2 | 107.1 | 18.5 | 396.8 |
| C | WELLS FARGO M&E (05/13/88) | NY-WFM | 3 | 6730 | 15.64 | 1.50 MAR | -1.52 | 18.50 | 1.4 | 8.0 | 0.0 | 8.1 | 18.3 | -9.7 | 124.5 |
| A | WESTERN INV RE# (04/21/89) | AS-WIR | 1 | 11969 | 13.30\$ | 1.34 DEC | 1.39 | 18.75 | 0.0 | 5.6 | 13.5 | 7.1 | 41.0 | 10.5 | 224.4 |
| COMPANIES AND BUSINESS TRUSTS | | | | | | | | | | | | | | | |
| * | ABRAMS INDS INC | OC-ABRI | 10 | 2234 | 7.54 | 0.27 U | APR 0.64 U | 6.75X | 13.6 | 22.7 | 10.5 | 4.0 | -10.5 | 8.5 | 15.1 |
| * | LP-AMER INS MTG 84 | OC-AIMAZ | 9 | 10000 | 19.38 | 1.50 DEC | 2.16 | 16.23 | 2.5 | 5.7 | 7.5 | 7.2 | -16.2 | 11.2 | 162.5 |
| C | LP-AMER RE PARTNERS (01/13/89) | NY-ACP | 8 | 14654 | 17.27 | 2.00 S | MAR 1.78 | 14.63 | 0.0 | -3.3 | 8.2 | 13.7 | -15.3 | 10.3 | 214.3 |
| * | AMERICANA HOTEL (04/08/88) | NY-AHR | L | 4920 | 17.79 | 8.00 U | MAR 1.27 D | 14.63 | 4.5 | 11.4 | 11.5 | 54.7 | -17.8 | 7.1 | 72.0 |
| C | AMREP CORP (03/10/89) | NY-AKR | 7 | 6609 | 10.18 | 0.00 JAN | 0.19 | 8.13 | -1.5 | 4.8 | 42.8 | 0.0 | -20.2 | 1.9 | 53.7 |
| * | ANGELES CORP | AS-ANG | 11 | 3282 | 5.46 | 0.00 MAR | -0.39 | 7.00 | 16.7 | 21.7 | 0.0 | 0.0 | 28.2 | -7.1 | 23.0 |
| C | BAY FINCL CORP (06/10/88) | NY-BAY | 8 | 3851 | 2.70\$ | 0.00 MAR | -9.93 | 9.50 | -6.2 | -18.3 | 0.0 | 0.0 | 251.9 | -367.8 | 36.6 |
| C | LP-BURGER KING INV # (01/13/89) | NY-BKP | 8 | 4635 | 17.59 | 1.80 MAR | 1.81 | 14.88X | 3.0 | 12.3 | 8.2 | 12.1 | -15.4 | 10.3 | 68.9 |
| C | LP-CAL FED INC PTNR# (01/13/89) | NY-CFI | 7 | 13020 | 7.71 | 1.00 DEC | 0.27 | 7.63 | 3.4 | 15.1 | 28.2 | 13.1 | -1.1 | 3.5 | 99.3 |
| C | CALPROP CORP | AS-CPP | 7 | 4183 | 9.25 | 0.00 MAR | 1.07 | 8.75 | 7.7 | 14.8 | 8.2 | 0.0 | -5.4 | 11.6 | 36.6 |
| C | CALTON INC (06/10/88) | NY-CN | 7 | 23640 | 2.82 | 0.00 FEB | 0.45 | 2.50 | 0.0 | -16.7 | 5.6 | 0.0 | -11.3 | 16.0 | 59.1 |
| C | CENTENNIAL GROUP (07/24/87) | AS-CEX | 10 | 26200 | 5.64 | 0.00 MAR | 0.18 U | 2.13 | -10.5 | -37.0 | 11.8 | 0.0 | -62.3 | 3.2 | 55.7 |
| A | CENTEX CORP (05/17/89) | NY-CTX | 6 | 14456 | 25.79 | 0.40 MAR | 2.64 | 36.50X | 6.9 | 24.8 | 13.8 | 1.1 | 41.5 | 10.2 | 527.6 |
| C | CHAMPION ENTERPRS | AS-CHB | 12 | 7215 | 6.30 | 0.00 FEB | -1.00 | 3.88 | -3.1 | 3.3 | 0.0 | 0.0 | -38.5 | -15.9 | 28.0 |
| C | CHRISTIANA COS | NY-CST | 7 | 5192 | 5.29 | 0.00 MAR | -0.11 U | 9.00 | -4.0 | 44.0 | 0.0 | 0.0 | 70.1 | -2.1 | 46.7 |
| B | CLAYTON HOMES | NY-CMH | 12 | 16151 | 5.04 | 0.00 MAR | 0.94 | 8.88 | 2.9 | 4.4 | 9.4 | 0.0 | 76.1 | 18.7 | 143.3 |
| * | LP-CMNWLTH MTG AM-A | NY-CMA | 9 | 35000 | 0.19 | 0.00 MAR | -1.14 | 0.63 | -9.2 | -68.8 | 0.0 | 0.0 | 228.9 | -600.0 | 21.9 |
| * | COMMONWLTH MTG CO | OC-CMC | 9 | 5865 | 4.23 | 0.00 JAN | 0.49 | 7.75 | -1.6 | 169.6 | 15.8 | 0.0 | 83.2 | 11.6 | 45.5 |
| * | CONGRESS ST PROPS | OC-CSTP | 10 | 1090 | 12.43 | 0.00 FEB | -0.56 | 6.00 | -5.9 | -5.9 | 0.0 | 0.0 | -51.7 | -4.5 | 6.5 |
| * | F-CONSOL CAP INCOME (03/24/89) | OC-CCITS | L | 11362 | 10.00 | 0.00 DEC | -4.14 D | 3.50 | -22.2 | -22.2 | 0.0 | 0.0 | -65.0 | -41.4 | 39.8 |
| * | CONSOL CAP RLY | OC-CCFLS | L | 5966 | 2.54 | 0.00 FEB | -2.20 D | 0.38 | -25.0 | -66.7 | 0.0 | 0.0 | -85.2 | -86.6 | 2.2 |
| * | F-CONSOL CAP SPECI (03/24/89) | OC-CCSTS | L | 11485 | 8.88 | 0.00 DEC | -1.72 D | 3.00 | -14.3 | -29.4 | 0.0 | 0.0 | -66.2 | -19.4 | 34.5 |
| C | CONTL RMS HOLDING | OC-COH | 7 | 3515 | 7.17 | 0.00 FEB | 0.59 | 4.56 | 7.4 | 21.7 | 7.7 | 0.0 | -36.4 | 8.2 | 16.0 |
| B | COUNTRYWIDE CRDIT (02/24/89) | NY-CCR | 9 | 16745 | 6.48 | 0.28 U | MAY 0.73 D | 8.00 | 16.4 | 25.5 | 11.0 | 3.5 | 23.5 | 11.3 | 134.0 |
| D | COVINGTON DEVLPMT | OC-COVT | 7 | 13902 | 0.52 | 0.00 DEC | 0.19 | 1.25 | 29.0 | 150.0 | 6.6 | 0.0 | 140.4 | 36.5 | 17.4 |
| * | LP-CRI INS MTG INV | NY-CRM | 9 | 9100 | 11.81 | 1.20 S | MAR 3.15 | 11.88 | 10.5 | -7.8 | 3.8 | 10.1 | 0.6 | 26.7 | 108.1 |
| D | DELTONA CORP | NY-DLT | 7 | 5579 | 4.60 | 0.00 MAR | -0.07 | 4.50 | -2.7 | -10.0 | 0.0 | 0.0 | -2.2 | -1.5 | 25.1 |
| * | LP-EMERALD HOMES LP | NY-EHP | 7 | 5225 | 6.17 | 0.80 S | MAR 1.63 | 7.13 | 26.7 | -16.2 | 4.4 | 11.2 | 15.5 | 26.4 | 37.2 |
| B | LP-EQK GRN ACRES LP# (01/27/89) | NY-EGA | 8 | 10173 | 8.18\$ | 1.25 U | MAR 1.26 U | 12.50 | 2.0 | -1.0 | 9.9 | 10.0 | 52.8 | 15.4 | 127.2 |
| * | F-EQK RLTY INV I # (02/24/89) | NY-EKR | L | 7589 | 14.10 | 0.00 MAR | 1.57 D | 11.75 | -10.5 | 9.3 | 7.5 | 0.0 | -16.7 | 11.1 | 89.2 |
| D | LP-EQUITABLE RE SC # (01/13/89) | NY-EQM | 8 | 10700 | 8.15 | 1.04 S | MAR 0.63 | 8.50 | -2.9 | -4.2 | 13.5 | 12.2 | 4.3 | 7.7 | 91.0 |
| D | EQUITEC FINCL GP (09/11/87) | NY-EFG | 11 | 4952 | 2.27 | 0.00 DEC | -3.41 | 2.00 | -11.1 | -23.8 | 0.0 | 0.0 | -11.9 | -150.2 | 9.9 |
| C | FAIRFIELD COMM (03/10/89) | NY-FCI | 7 | 10930 | 9.57 | 0.00 MAR | 0.29 | 6.50 | 4.0 | 6.1 | 22.4 | 0.0 | -32.1 | 3.0 | 71.0 |
| * | FARRAGUT MTG CO | OC-FARR | 9 | 5150 | 0.01 | 0.00 MAR | -0.77 D | 0.38 | 0.0 | -33.4 | 0.0 | 0.0 | 3650.0 | 0 | 1.9 |
| A | FED NATL MTG (02/10/89) | NY-FNM | 9 | 78662 | 26.52 | 1.28 MAR | 7.15 | 88.63 | 8.2 | 74.6 | 12.4 | 1.4 | 234.2 | 27.0 | 6971.4 |
| C | LP-FINE HMS INTRNTNL (01/13/89) | NY-FHI | 11 | 7785 | 5.94 | 2.25 S | MAR 1.26 | 15.88 | 3.3 | 10.4 | 12.6 | 14.2 | 167.3 | 21.2 | 123.5 |
| * | FIRST CAROLINA | OC-FCAR | 10 | 599 | 32.03 | 0.50 MAR | 1.31 | 30.00 | 0.0 | 1.7 | 22.9 | 1.7 | -6.5 | 4.1 | 21.0 |
| A | FLEETWOOD ENTER | NY-FLE | 12 | 22908 | 16.88 | 0.76 U | APR 3.06 U | 26.63 | -4.1 | 6.0 | 8.7 | 2.9 | 57.7 | 18.1 | 609.9 |
| B | FOREST CITY-A# (03/10/89) | AS-FCE.A | 8 | 4059 | 28.25 | 0.42 U | JAN 3.19 | 52.00 | 12.4 | 29.6 | 16.3 | 0.8 | 84.1 | 11.3 | 211.1 |
| B | FOREST CITY-B# (03/10/89) | AS-FCE.B | 8 | 3890 | 28.25 | 0.36 U | JAN 3.19 | 52.00 | 12.4 | 25.7 | 16.3 | 0.7 | 84.1 | 11.3 | 202.3 |
| C | LP-FORUM RET FPD UN# (06/14/89) | AS-FRL | 8 | 6381 | 9.21\$ | 1.35 DEC | 0.38 | 5.38 | 0.0 | -12.2 | 14.1 | 25.1 | -41.6 | 4.1 | 34.3 |
| * | FPA CORP | AS-FPO | 7 | 4011 | 8.78 | 0.00 MAR | -2.45 U | 3.88 | 0.0 | 0.0 | 0.0 | 0.0 | -55.9 | -27.9 | 15.5 |
| C | GENERAL DEVLPMT (03/10/89) | NY-GDV | 6 | 8497 | 18.43 | 0.00 MAR | 0.38 | 13.38 | -12.3 | 5.9 | 35.2 | 0.0 | -27.4 | 2.1 | 113.6 |
| D | GENERAL HOMES | NY-GHO | 6 | 15009 | -8.91 | 0.00 MAR | -11.52 | 1.13 | 12.5 | 125.0 | 0.0 | 0.0 | 0.0 | 0.0 | 16.9 |
| A | LP-GOULD INVSTRS LP# | AS-GLP | 8 | 1075 | 19.76 | 0.00 DEC | 2.77 | 60.00 | -2.6 | 22.4 | 21.7 | 0.0 | 203.6 | 14.0 | 64.5 |
| C | GRUBB & ELLIS CO (06/10/88) | NY-GBE | 11 | 16132 | 5.05 | 0.00 MAR | 0.14 U | 5.38 | -4.4 | 34.4 | 38.4 | 0.0 | 6.4 | 2.8 | 66.7 |
| * | HAMMOND CO | OC-THCO | 9 | 2041 | 5.00 | 0.10 MAR | -0.52 D | 4.63X | -5.5 | 54.2 | 0.0 | 2.2 | -7.5 | -10.4 | 9.4 |
| B | HOVNANIAN ENTR (05/17/89) | AS-HOV | 7 | 20848 | 5.75 | 0.00 FEB | 1.38 | 10.00 | 1.3 | 50.9 | 7.2 | 0.0 | 73.9 | 24.0 | 208.5 |
| * | INDIANA FNCL INV | OC-IFII | 8 | 963 | 12.57 | 0.00 MAR | 0.63 | 6.50 | 0.0 | 10.6 | 10.3 | 0.0 | -48.3 | 5.0 | 6.3 |
| D | INTEGRATED RESC (02/10/89) | NY-IRE | 11 | 7420 | 18.81 | 0.00 MAR | 1.73 D | 4.00 | -76.6 | -71.2 | 2.3 | 0.0 | -78.7 | 9.2 | 29.7 |
| B | LP-INTERSTATE GEN CO (02/24/89) | AS-IGC | 8 | 9900 | 3.49 | 0.72 MAR | 1.05 | 7.63 | 0.0 | 17.3 | 7.3 | 9.4 | 118.5 | 30.1 | 75.5 |
| * | INTL AMER HOMES | OC-HOME | 7 | 7947 | 3.94 | 0.00 MAR | 0.53 | 2.00 | -8.6 | 33.3 | 3.8 | 0.0 | -49.2 | 13.5 | 15.9 |
| B | J M PETERS CO INC (05/17/89) | AS-JMP | 7 | 13980 | 8.21 | 0.00 MAY | 2.64 D | 10.63 | 8.9 | 23.2 | 4.0 | 0.0 | 29.4 | 32.2 | 148.5 |
| * | JMB REALTY | OC-JMBRS | L | 1423 | 13.52 | 2.75 FEB | 2.73 | 10.00 | 2.6 | -12.3 | 3.7 | 27.5 | -26.0 | 20.2 | 14.2 |
| A | K&B HOME CORP (05/17/89) | NY-KBH | 6 | 27298 | 8.75 | 0.30 MAY | 2.07 U | 18.13 | 27.2 | 113.2 | 8.8 | 1.7 | 107.1 | 23.7 | 494.8 |
| A | KOGER PROPS# (03/10/89) | NY-KOG | 8 | 25440 | 9.67 | 2.80 MAR | 2.79 S | 27.88 | 1.8 | 12.1 | 10.0 | 10.0 | 188.3 | 28.9 | 709.1 |
| C | LP-LA QUINTA MTR IN# (01/13/89) | NY-LQP | 8 | 3975 | 18.23 | 2.00 DEC | 1.26 | 8.75 | 2.9 | -23.1 | 6.9 | 22.9 | -52.0 | 6.9 | 34.8 |
| C | LANDMARK LAND (11/18/88) | AS-LML | 10 | 7989 | 4.91 | 0.40 MAR | -0.75 | 21.63 | 11.6 | 7.5 | 0.0 | 1.8 | 340.4 | -15.3 | 172.8 |
| C | LEISURE+TECH (05/26/89) | NY-LVX | 7 | 5408 | 5.20 | 0.00 MAR | -0.11 | 5.63 | | | | | | | |

| RANK | NAME (REVIEW DATE) | EXCH/ SYMBOL | GROUP | SHARES (000) | BOOK VALUE | ANN DIV | -EARNINGS-- MON 12 MO | LAST PRICE | % CHANGE MAY 24 | FROM JAN 1 | P/E RATIO | % ANN YIELD | % PR TO BK | RETURN ON BKZ | MKT VAL MIL \$ |
|-------------------------|--------------------|-----------------|-------|-----------------|---------------|------------|--------------------------|---------------|--------------------|---------------|--------------|----------------|---------------|------------------|-------------------|
| * MAY DEPT STORES | (02/26/88) | NY-MA | 10 | 149110 | 20.45 | 1.42 S | APR 3.67 | 40.63X | -3.3 | 12.1 | 11.1 | 3.5 | 98.7 | 17.9 | 6057.6 |
| * MCA INC | (02/26/88) | NY-MCA | 10 | 73159 | 23.42 | 0.68 | MAR 2.26 | 60.13 | 6.4 | 32.5 | 26.6 | 1.1 | 156.7 | 9.6 | 4398.7 |
| C MDC HOLDINGS | (11/18/88) | NY-MDC | 6 | 15890 | 9.52 | 0.00 | MAR -1.60 U | 3.38 | 0.0 | 22.7 | 0.0 | 0.0 | -64.5 | -16.8 | 53.6 |
| * MISSION WEST PR | | AS-MSW | 7 | 1499 | 13.34 | 0.36 | FEB 1.12 | 9.13 | 1.4 | -5.2 | 8.1 | 3.9 | -31.6 | 8.4 | 13.7 |
| * MONT RL EST INV | (05/13/88) | NY-MYM | L | 10639 | 9.13\$ | 0.72 S | MAY 0.71 U | 8.38 | 0.0 | 1.5 | 11.8 | 8.6 | -8.3 | 7.8 | 89.1 |
| * NATIONAL ENTERPRISES | | NY-NEL | 12 | 7138 | 1.76 | 0.00 | MAR -0.40 D | 0.81 | -7.1 | -27.7 | 0.0 | 0.0 | -53.8 | -22.7 | 5.8 |
| C LP-NATIONAL REALTY | (01/13/89) | AS-NLP | 8 | 8906 | -1.18 | 0.80 | MAR -2.00 U | 8.75 | 4.5 | -17.6 | 0.0 | 9.1 | 0.0 | 0.0 | 77.9 |
| A LP-NEWHALL LAND | (01/13/89) | NY-NHL | 10 | 18857 | 5.47\$ | 1.20 | MAR 2.47 | 61.25 | 3.8 | 8.2 | 24.8 | 2.0 | 1019.7 | 45.2 | 1155.0 |
| B LP-NVR L.P. | (05/17/89) | AS-NVR | 6 | 25341 | 4.26 | 0.48 | MAR 1.31 | 7.13 | 0.0 | 21.3 | 5.4 | 6.7 | 67.3 | 30.8 | 180.6 |
| B OAKWOOD HOMES | | NY-OH | 12 | 5201 | 9.67 | 0.08 | MAR 0.03 U | 7.13 | -18.6 | 3.6 | 237.5 | 1.1 | -26.3 | 0.3 | 37.1 |
| B ORIOLE HOMES-A | (05/26/89) | AS-OHC.A | 7 | 1933 | 13.52 | 0.55 | MAR 2.61 | 11.75 | 5.6 | 16.0 | 4.5 | 4.7 | -13.1 | 19.3 | 22.7 |
| B ORIOLE HOMES-B | (05/26/89) | AS-OHC.B | 7 | 1924 | 13.52 | 0.60 | MAR 2.61 | 11.38 | 2.2 | 15.2 | 4.4 | 5.3 | -15.9 | 19.3 | 21.9 |
| * PAGESETTER HOMES | | OC-PAGE | 7 | 1542 | 7.45 | 0.00 | MAR -0.66 | 4.25 | 21.4 | -5.6 | 0.0 | 0.0 | -43.0 | -8.9 | 6.6 |
| * PARKWAY COMPANY | | OC-PKWT | 10 | 1460 | 26.22 | 0.80 | MAR 0.09 | 16.00 | -0.8 | 0.0 | 177.8 | 5.0 | -39.0 | 0.3 | 23.4 |
| * PATTEN CORP | | NY-PAT | 7 | 16980 | 5.11 | 0.12 | MAR 0.50 D | 3.38 | 17.4 | -10.0 | 6.8 | 3.6 | -34.0 | 9.8 | 57.3 |
| B PERINT INV PR# | (03/24/89) | AS-PNV | 8 | 3878 | 0.15\$ | 0.60 | MAR 1.66 U | 17.00 | 4.6 | 3.8 | 10.2 | 3.5 | 1123.3 | 1106.7 | 65.9 |
| C PHM CORP | (05/26/89) | NY-PHM | 6 | 24768 | 10.68 | 0.12 | MAR 1.57 | 17.63X | -0.5 | 58.4 | 11.2 | 0.7 | 65.0 | 14.7 | 436.5 |
| * LP-PRIME MTR INN LP# | | NY-PPM | 8 | 4000 | 19.17 | 2.04 | MAR 2.38 U | 15.38 | 4.2 | -3.9 | 6.5 | 13.3 | -19.8 | 12.4 | 61.5 |
| * PROPERTY CAPITAL | (08/26/88) | AS-PCT | L | 10565 | 14.27 | 0.34 | APR 1.89 | 17.75X | -4.8 | -14.5 | 9.4 | 1.9 | 24.4 | 13.2 | 187.5 |
| D PUNTA GORDA | | AS-PGA | 7 | 2905 | -2.43 | 0.00 | DEC -0.99 | 1.38 | -21.4 | -47.6 | 0.0 | 0.0 | 0.0 | 0.0 | 4.0 |
| * READING CO | (11/25/88) | OC-RDGC | 8 | 4971 | 8.70 | 0.00 | MAR 2.80 U | 13.63 | -1.8 | 16.0 | 4.9 | 0.0 | 56.6 | 32.2 | 67.7 |
| * LP-RED LIONS INNS # | (01/13/89) | AS-RED | 8 | 4349 | 17.12 | 2.05 | MAR 1.63 S | 17.25 | 7.0 | 16.9 | 10.6 | 11.9 | 0.8 | 9.5 | 75.0 |
| * LP-RETIREMENT LIV MTG | | OC-RLIVZ | 9 | 1264 | 22.73 | 2.16 | DEC 1.97 | 14.75 | -1.7 | -10.6 | 7.5 | 14.6 | -35.1 | 8.7 | 18.6 |
| * ROCKWOOD NATL | | PS-RNC | 7 | 9812 | 2.58 | 0.00 | DEC -0.26 | 1.00 | -20.0 | -38.5 | 0.0 | 0.0 | -61.2 | -10.1 | 9.8 |
| A ROUSE CO# | (03/10/89) | OC-ROUS | 8 | 47876 | 5.86\$ | 0.56 S | DEC 0.86 | 29.00X | 3.2 | 18.4 | 33.7 | 1.9 | 394.9 | 14.7 | 1388.4 |
| A RYLAND GROUP | (05/17/89) | NY-RTL | 6 | 12889 | 13.37 | 0.60 S | MAR 3.02 | 21.00 | 3.1 | 1.8 | 7.0 | 2.9 | 57.1 | 22.6 | 270.7 |
| * SANTA FE PACIFIC | (07/10/87) | NY-SFX | 10 | 157602 | 4.27 | 0.00 | MAR -1.30 | 23.25 | 3.3 | 34.8 | 0.0 | 0.0 | 444.5 | -30.4 | 3664.2 |
| * LP-SHOPCO LAURL CTR# | (01/13/89) | AS-LSC | 8 | 4660 | 8.57 | 1.10 | SEP 0.77 | 9.63 | 1.3 | 0.0 | 12.5 | 11.4 | 12.3 | 9.0 | 44.9 |
| B SKYLINE CORP | | NY-SKY | 12 | 11217 | 13.24 | 0.48 S | FEB 1.46 | 17.00X | -9.3 | 9.7 | 11.6 | 2.8 | 28.4 | 11.0 | 190.7 |
| D SOUTHLAND FINCL | (05/27/88) | OC-SFIN | 8 | 16773 | 3.40 | 0.00 | SEP -2.36 | 1.81 | 38.1 | 141.7 | 0.0 | 0.0 | -46.7 | -69.4 | 30.4 |
| D SOUTHWEST CORP | (03/24/89) | NY-SM | 10 | 45117 | -18.87 | 0.00 | MAR -28.99 | 0.50 | -20.0 | -69.2 | 0.0 | 0.0 | 0.0 | 0.0 | 22.6 |
| D LP-SOUTHWEST RLTY# | (12/09/88) | AS-SWL | 8 | 3442 | 5.66\$ | 0.00 | DEC 0.15 | 0.81 | -53.5 | 0.0 | 5.4 | 0.0 | -85.6 | 2.7 | 2.8 |
| * STARRETT HOUSING | | AS-SHO | 7 | 6430 | 4.70 | 0.00 | MAR 0.71 | 8.00 | 4.9 | 33.3 | 11.3 | 0.0 | 70.2 | 15.1 | 51.4 |
| A LP-STD PACIFIC L.P. | (05/17/89) | NY-SPF | 6 | 27049 | 7.78 | 1.80 | MAR 3.27 | 17.00 | 10.6 | 41.7 | 5.2 | 10.6 | 118.5 | 42.0 | 459.8 |
| * TIERCO GP INC | | OC-TIER | 8 | 2126 | -2.49 | 0.00 | MAR -10.74 D | 1.00 | 0.0 | -78.9 | 0.0 | 0.0 | 0.0 | 0.0 | 2.1 |
| C TOLL BROS | (05/26/89) | NY-TOL | 6 | 29961 | 2.42 | 0.00 | APR 0.62 D | 4.75 | -15.6 | 0.0 | 7.7 | 0.0 | 96.3 | 25.6 | 142.3 |
| B LP-UDC-UNIVRSAL DEV | (05/17/89) | NY-UDC | 7 | 9364 | 8.67 | 2.40 | MAR 3.98 | 21.88X | 3.9 | 16.7 | 5.5 | 11.0 | 152.3 | 45.9 | 204.8 |
| * UNICORP AMER | (07/10/87) | AS-UAC | 10 | 17300 | 8.49 | 0.30 | MAR -0.56 U | 5.50X | 6.2 | -4.3 | 0.0 | 5.5 | -35.2 | -6.6 | 95.2 |
| C UNION VALLEY CORP | | AS-UVC | 7 | 4759 | 4.73 | 0.00 | MAR -0.24 D | 6.75 | -5.3 | -11.5 | 0.0 | 0.0 | 42.7 | -5.1 | 32.1 |
| C US HOME CORP | (05/17/89) | NY-UH | 6 | 39901 | 4.43 | 0.00 | MAR 0.12 | 1.88 | 0.0 | -11.8 | 15.6 | 0.0 | -57.7 | 2.7 | 74.8 |
| * LP-US REALTY PTRNS# | | OC-USRLZ | 8 | 1222 | 14.99 | 2.04 | DEC 2.11 | 7.75 | 0.0 | 3.3 | 3.7 | 26.3 | -48.3 | 14.1 | 9.5 |
| * LP-VMS MORTGAGE INV | | OC-VMLPZ | 9 | 7629 | 9.28 | 1.08 S | MAR 1.29 | 7.50 | 5.3 | 1.7 | 5.8 | 14.4 | -19.2 | 13.9 | 57.2 |
| * WASHINGTON CORP | | PH-WWC | 7 | 1884 | 5.83 | 0.25 | MAR 1.32 | 6.75 | -1.8 | 1.9 | 5.1 | 3.7 | 15.8 | 22.6 | 12.7 |
| C WEBB (DEL) CORP | (03/10/89) | NY-WBB | 10 | 9351 | 6.60 | 0.00 | MAR -1.60 | 10.63 | -18.3 | -30.9 | 0.0 | 0.0 | 61.0 | -24.2 | 99.4 |
| * LP-WINTHROP INS MTG | | AS-WMI | 9 | 3868 | 12.52 | 1.32 S | MAR 1.36 | 12.63 | 2.0 | 5.2 | 9.3 | 10.5 | 0.8 | 10.9 | 48.8 |
| D WRITER CORP | | OC-WRTC | 7 | 4118 | 0.54 | 0.00 | DEC -4.26 U | 0.66 | 31.2 | 5.0 | 0.0 | 0.0 | 21.5 | -788.9 | 2.7 |

COMPARATIVE REALTY STOCK GROUP AVERAGE 06/21/89

| GROUP NUMBER & NAME | DIV | NON-DIV | TOTAL | SHARE (000) | BOOK VALUE | ANNUAL DIV | EARN ANN | LAST PRICE | % CHANGE MAY 24 | FROM JAN 1 | P/E RATIO | ANNUAL YIELD | % PR TO BK | RETURN ON BK | MARKET VAL (000) |
|-----------------------------|-----|---------|-------|-------------|------------|------------|----------|------------|-----------------|------------|-----------|--------------|------------|--------------|------------------|
| 1 PROPERTY REITS | 41 | 4 | 45 | 8248 | 11.44 | 0.98 | 0.91 | 14.32 | 2.0 | 3.1 | 15.8 | 6.8 | 25.2 | 7.9 | 5879.4 |
| 2 LEASEBACK REITS | 12 | 1 | 13 | 6662 | 14.25 | 1.46 | 1.63 | 13.91 | 4.2 | 7.6 | 8.5 | 10.5 | -2.4 | 11.4 | 1405.5 |
| 3 PROP & MTG COMB REITS | 14 | 1 | 15 | 5687 | 11.33 | 1.19 | 1.01 | 10.97 | 2.2 | -3.4 | 10.8 | 10.9 | -3.2 | 8.9 | 918.4 |
| 4 MORTGAGE REITS | 19 | 4 | 23 | 7925 | 12.58 | 1.20 | 1.07 | 9.50 | 6.0 | -4.2 | 8.9 | 12.6 | -24.5 | 8.5 | 1540.4 |
| 5 PARTICIPATING MTG REITS | 9 | 0 | 9 | 11949 | 11.25 | 1.12 | 0.62 | 9.36 | 0.5 | -7.5 | 15.1 | 12.0 | -16.8 | 5.5 | 1218.6 |
| REIT AVERAGE | | | 105 | 7932 | 12.01 | 1.13 | 1.02 | 12.31 | 2.9 | 1.4 | 12.0 | 9.2 | 2.5 | 9.4 | 10962.3 |
| 6 MAJOR HOMEBUILDERS | 7 | 5 | 12 | 20639 | 9.99 | 0.33 | 0.39 | 13.66 | 4.0 | 28.3 | 35.5 | 2.4 | 36.7 | 3.9 | 2916.7 |
| 7 OTHER BLDRS/DEVELOPERS | 7 | 21 | 28 | 7406 | 6.12 | 0.18 | 0.45 | 6.74 | 3.3 | 10.8 | 14.9 | 2.7 | 10.2 | 7.4 | 1346.3 |
| 8 INCOME PROP BLDR/OWNR | 18 | 7 | 25 | 8597 | 10.84 | 0.96 | 0.33 | 16.39 | 3.5 | 10.5 | 49.1 | 5.8 | 51.2 | 3.1 | 3801.2 |
| 9 MORTGAGE BANKER/FINANCE | 9 | 4 | 13 | 15945 | 10.35 | 0.74 | 1.31 | 14.42 | 5.7 | 27.5 | 11.0 | 5.1 | 39.4 | 12.7 | 7867.0 |
| 10 DIVERSIFIED RLTY/HOLDING | 8 | 5 | 13 | 39244 | 10.66 | 0.43 | -1.78 | 21.88 | 1.9 | 9.7 | 0.0 | 2.0 | 105.2 | -16.7 | 15787.0 |
| 11 RLTY SVCS/INDICATORS | 1 | 4 | 5 | 7914 | 7.51 | 0.45 | -0.13 | 6.85 | -26.1 | -15.7 | 0.0 | 6.6 | -8.7 | -1.8 | 272.9 |
| 12 MANUFACTURED HOUSING | 3 | 3 | 6 | 11638 | 8.81 | 0.22 | 0.68 | 10.72 | -6.4 | 5.6 | 15.7 | 2.1 | 21.6 | 7.7 | 1014.8 |
| OTHER REALTY STOCKS AVERAGE | | | 102 | 14675 | 9.07 | 0.25 | 0.23 | 13.07 | 1.9 | 13.5 | 58.1 | 3.9 | 44.0 | 5.6 | 33005.8 |
| L LIQUIDATING COMPANIES | 4 | 4 | 8 | 7994 | 11.28 | 1.48 | 0.01 | 8.67 | -4.2 | -6.4 | NC | NC | -23.1 | NC | 528.4 |
| OVERALL AVERAGE | | | 215 | 11255 | 10.56 | 0.82 | 0.63 | 12.68 | 2.4 | 7.2 | 20.1 | 6.5 | 20.1 | 7.8 | 44496.6 |
| DOW JONES INDUSTRIALS | | | | | | | 228.46 | 2464.91 | -0.8 | 13.7 | 10.8 | 3.6 | | | |
| STANDARD & POOR'S 500 | | | | | | | 24.96 | 320.48 | 0.4 | 15.4 | 12.8 | 3.5 | | | |
| DOW JONES UTILITIES | | | | | | | 11.46 | 205.13 | 2.7 | 10.1 | 17.9 | 7.3 | | | |

SYMBOLS & ABBREVIATIONS

RANKINGS: A - Strongest in EPS/CFS/dividend growth, financials/liquidity position, and competitive posture in business segment; B - Above average in EPS/CFS/dividend growth, financials/liquidity position, and competitive posture in business segment; C - Average but some volatility adequate in EPS/CFS/dividend growth, financial/liquidity position, and open to competitive pressures; D - Sustained losses, illiquidity, and possible bankruptcy filing. * = Not Ranked. Z = Audit or affiliates involved in pending transaction. New EPS or Dividend: U=Up, D=Down, S=Unchanged, I=Initial, # = Net Cash Flow (EPS plus noncash charges less mortgage payments). @ = Gross Cash Flow. Book value for cash flow entities includes acc. depreciation. Last bid prices used for OTC. P=Paired stock. \$=Current appraised value reported see p. 3. F=Finite life REIT. LP=Limited partnership. L=Liquidating. VJ=In bankruptcy reorganization.

ADJUSTED: IRT Property - 5-for-4 paid 6-2-89. DELETED: Radice Corp., Ridgewood Properties.